GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:175
ANSWERED ON:27.02.2007
SUBSIDY FOR COTTON
Rathod Shri Harisingh Nasaru

Will the Minister of TEXTILES be pleased to state:

(a) Whether the Union Government provides subsidy to Cotton Corporation of India to maintain Minimum Support Price (MSP);

(b) if so, whether Maharashtra State Cooperative Cotton Growers Marketing Federation Ltd. (MSCCGMFL) is not getting any subsidy from Government though it purchases raw cotton and help in maintaining MSP;

(c) if so, the reasons therefor;

(d) whether the Government of Maharashtra has sent any proposal for providing subsidy to MSCCGMFL and notify them as an agent for procurement of cotton;

(e) if so, the details thereof and action taken thereon;

(f) whether the proposal has been put for approval of Cabinet Committee of Economic Affairs; and

(g) if so, the Government's viewpoint on granting subsidy to MSCCGMFL?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a): Cotton Corporation of India Ltd. (CCI) is the nominated nodal agency for conducting Minimum Support Price (MSP) operations in Cotton by the Government of India. As and when kapas prices touches the MSP level, the CCI is mandated to procure cotton at MSP declare by the Government of India. There is no quantitative restriction regarding MSP procurement by CCI. Government of India reimburses the loss on account of MSP operations to CCI. In addition to CCI, Government of India had also nominated the National Agricultural Cooperative Federation of India Ltd. (NAFED) as the second nodal agency for conducting MSP operations from the cotton season 2004-05.

(b) & (c): Maharashtra State Cooperative Cotton Growers Marketing Fed eration Ltd. (MSCCGMF) has not been nominated by the Government of Indian as one of the nodal agency for procurement of cotton under MSP. Hence, the question of reimbursement of losses to this Federation does not arise.

(d) & (e): Yes Sir. Ministry of Textiles had suggested Government of Maharashtra and MSCCGMF that since the Maharashtra Federation is having adequate infrastructure in the State of Maharashtra, they may approach NAFED directly or through Ministry of Agriculture for utilizing their agency / infrastructure for the purpose of conducting MSP operations in Maharashtra State. Ministry of Agriculture had also been suggested considering the request of the State Government.

(f) & (g): Ministry of Textiles has not send any proposal to the Cabinet Committee of Economic Affairs for granting subsidy to MSCCGMFL.